



# 2019 Budget Context



# 2019 Budget Context

- *Changes since 2011*
- *South Stormont Overview*
- *South Stormont Demographics*
- *How South Stormont Compares*
- *2019 Budget Considerations*
- *2019 Staff Budget Objectives*
- *2019 Budget*

# 2019 Budget Context Changes Globally

- World wide focus on climate change, asset management & sustainability
- Significant demographic shifts, immigration, aging boomers, declining birth rate
- 3 factors changing in world economics:
  - 1) what to produce
  - 2) how to produce, &
  - 3) for whom
- Job markets, skills, knowledge, & employees expectations
- Increase in expectations

# 2019 Budget Context

## Changes Globally – World Events

- 2011 – Riots across England, Earthquakes & Tsunami Japan
- 2011 – End of Iraqi war, Gaddafi killed
- 2013 – European Union & Canada tentative Trade Agreement
- 2014 – Oil all time high \$108US/barrel, Refugees
- 2016 – Trump wins US Election, Brexit, Warmest year recorded
- 2017 – Hurricane season worst in history, #Me Too Movement
- 2018 – Trump's trade wars, North & South Korean leaders meet



# 2019 Budget Context

## Changes from Provincial Government

- Focus on climate change, new reporting requirements
- Significant adjustments to Employment Standards & new legislated reversals
- Increased focus on asset management & sustainability
- Reporting requirements more strenuous, time consuming
- New tribunals, added preparation requirements, time consuming

# 2019 Budget Context

## Changes in Canada & Ontario

- 2011 - Ontario humidex 51C, Parliament Non-confidence vote
- 2012 - Penny coin discontinued, Beef recall Ecoli outbreak
- 2013 - Lac-Magentic PQ train derailment
- 2014 - Liberals win ON, Burger King buys Tim Hortons
- 2015 - Target stores in Canada close, February coldest in 115 yrs
- 2016 - 1<sup>st</sup> Zitka virus reported, Fort McMurray evacuated
- 2017 - Sesquicentennial, Opioids, Hate crimes on the rise
- 2018 - Last Sears stores close, Van kills 10 pedestrians in Toronto

# 2019 Budget Context

## Changes in Provincial Legislation

Legislation	Consolidated Changes 2011-2018	Consolidated Changes since 2015	Consolidated Regulation Changes 2011 - 2018	Consolidated Regulation Changes since 2015
Municipal Act	28	20	12	10
Municipal Elections Act	7	7	4	4
Planning Act	14	12	14	5
Pay Equity Act	11	8		
Employment Standards Act	27	19	3	3
Environmental Protection Act	14	11	17	7

# 2019 Budget Context Changes at Local Level

- Increased focus on asset management & sustainability
- Program requirements strenuous, time consuming
  - <http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/FormDetail?OpenForm&ACT=RDR&TAB=PROFILE&SRCH=&ENV=WWE&TIT=009-0020E&NO=009-0020E>
- Financial reporting requirements strenuous, time consuming
  - <https://efis.fma.csc.gov.on.ca/fir/FIR2018.htm>
- New tribunals, added preparation requirements, time consuming



# 2019 Budget Context Changes at Local Level

- Weather patterns, adjustment in service provision
- Proactive vs Reactive – expectations on the rise
- Social Media
- Transitioning relationships & Social Media
- “War for Talent” – Changing employee base, increasing skill requirements
- New tribunals (planning & assessment), added preparation requirements, time consuming

# 2019 Budget Context

## Township of South Stormont

Year	Households	New Residential Units	Staff FT	Staff PT	Staff Seasonal	Staff Public Works FT
2011	4,975	79	27	93	33	14
2012	5,154	52	27	95	18	14
2013	5,288	73	27	96	18	14
2014	5,328	61	29	90	21	14
2015	5,392	53	33	7	21	14.5
2016	5,471	130	34	5	23	14.5
2017	5,495	50	39	5	21	14.5
2018	5,548	63	39	90	30	14.5
10	573   10.3%↑	561				

# 2019 Budget Context

## Township of South Stormont Demographics

	Total	Male	Female	Total	Male	Female
	South Stormont	South Stormont	South Stormont	Ontario	Ontario	Ontario
Total Population	13,110	6,625	6,485	13,448,495	6,559,390	6,889,105
Total - Distribution (%) of the population	100.0	100.0	100.0	100.0	100.0	100.0
0 to 14 years	16.0	17.1	14.9	16.4	17.3	15.6
15 to 64 years	64.8	64.7	65.0	66.8	67.3	66.4
65 years and over	19.2	18.3	20.0	16.7	15.5	17.9
85 years and over	1.9	1.1	2.7	2.2	1.6	2.8
Average age of the population	43.4	42.3	44.5	41.0	40.0	41.9

# 2019 Budget Context

## Township of South Stormont Demographics

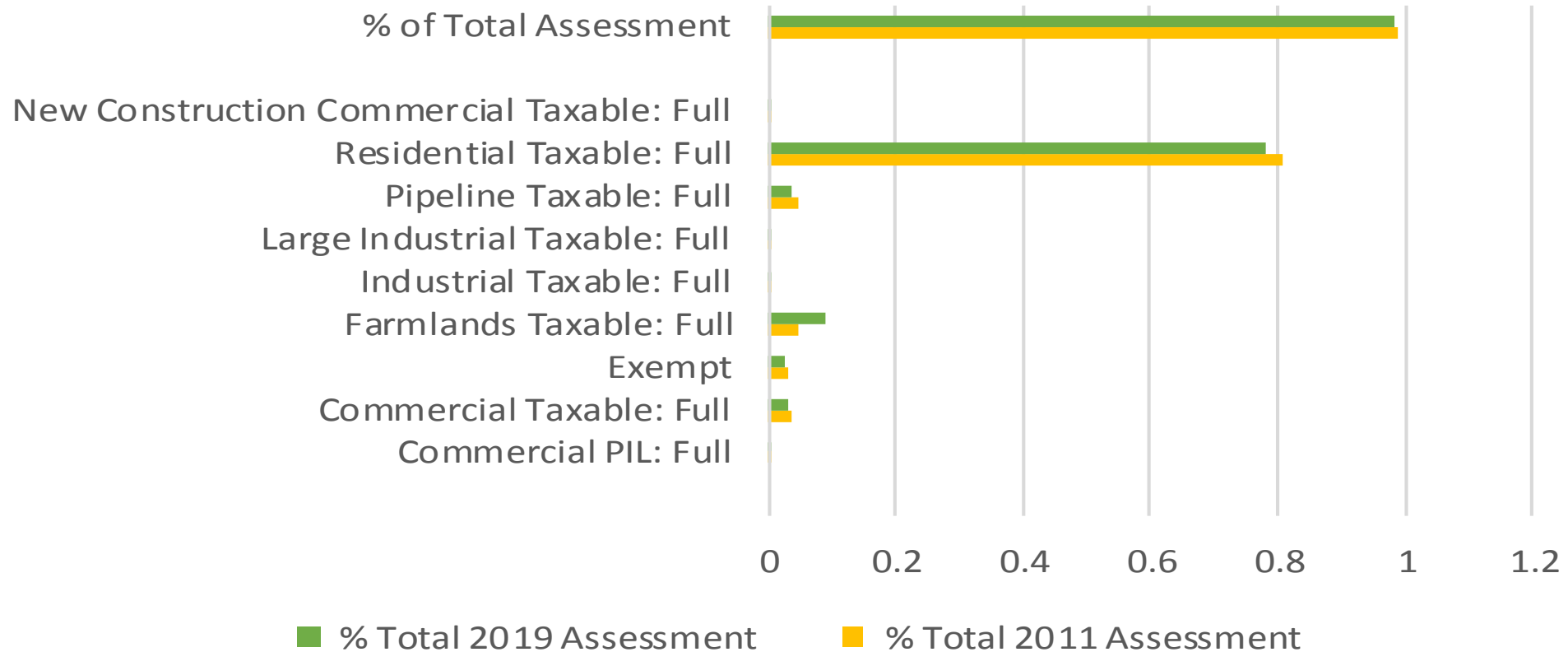
	Total	Male	Female	Total	Male	Female
	South Stormont	South Stormont	South Stormont	Ontario	Ontario	Ontario
Total Population (2016)	13,110	6,625	6,485	13,448,495	6,559,390	6,889,105
Average total income households in 2015 (\$)	\$89,881	n/a	n/a	\$97,856	n/a	n/a
Average after-tax income households in 2015 (\$)	\$75,429	n/a	n/a	\$80,322	n/a	n/a
Prevalence of low income based on the Low-income measure, after tax (LIM-AT) (%)	10.0	9.6	10.4	14.4	13.8	15.0



# 2019 Budget Context

## Township of South Stormont

### 2011 & 2019 % of Total Assessment



# 2019 Budget Context

## Township of South Stormont

Year	Assessment	Township Taxes	County Taxes	Schools Taxes	Total Taxes	Annual Surplus
2011	948,354,225	4,028,203	6,511,906	3,374,996	13,915,105	1,006,559
2012	1,005,038,184	4,323,205	6,787,665	3,304,413	14,415,283	1,372,058
2013	1,087,875,693	4,618,399	7,115,522	3,427,955	15,161,876	1,088,387
2014	1,163,762,153	4,913,304	7,324,043	3,484,265	15,721,612	1,539,633
2015	1,249,333,857	5,404,278	7,672,160	3,568,027	16,644,485	1,511,110
2016*	1,333,448,432	5,677,034	7,995,034	3,684,727	17,317,074	1,137,192
2017	1,381,139,677	5,935,143	8,273,745	3,720,745	17,929,447	1,187,562
2018*	1,501,242,966	6,241,195	8,669,426	3,736,411	18,647,046	
% change <small>2014</small>	53% ↑	55% ↑	33% ↑	11% ↑	34% ↑	

2017 FIR, MMAH & 2018 budget

# 2019 Budget Context

## How South Stormont Compares 2017

Municipality	Population 2016	<u>Employees</u>			Area KM <sup>2</sup>	Lane KM Maintained	Winter Lane KM Maintained
		FT	PT	Sn'l			
South Stormont	13,110	39	90	30	447.58	600	600
Loyalist	16,971	124	55	20	341.02	728	719
Brighton	11,844	39	20	0	222.76	230	230
Perth East	12,261	30	58	14	712.14	1,139	1,129
North Dundas	11,278	42	13	45	503.21	740	740
South Dundas	10,833	39	6	96	520.10	745	745
South Glengarry	13,150	32	0	128	605.30	766	372

15

# 2019 Budget Context

## How South Stormont Compares 2017

Municipality	Hh'ds	Assessment	Local Taxes	Tax Dollars per Hh'ds	Surplus	Discretionary Reserve Funds	Reserves
South Stormont	5,495	1,501,242,966	\$6,788,597	\$1,235	\$1,187,562	\$526,487	\$8,630,119
Loyalist	6,789	1,787,510,150	\$14,465,135	\$2,131	\$6,286,372	\$7,569,107	\$1,090,543
Brighton	5,099	1,315,483,203	\$8,181,845	\$1,605	\$2,568,117	\$3,828,041	\$2,533,317
Perth East	4,182	2,639,461,304	\$7,301,657	\$1,746	\$2,227,724	\$10,698,544	\$909,524
North Dundas	4,666	1,749,249,054	\$5,981,551	\$1,282	\$807,486	\$3,148,068	\$7,952,504
South Dundas	4,555	1,408,586,390	\$6,559,121	\$1,440	\$626,462	\$4,416,838	\$6,123,346
South Glengarry	5,948	1,955,608,536	\$8,755,007	\$1,472	\$1,228,061	0	\$7,279,303



# 2019 Budget Context

“If the CPI is viewed as a target measure for funding increases by the provincial or federal governments, or by municipalities for the rate of increase in property taxes, local governments are likely to face a growing gap between expenditures and revenues. In the past, this gap has often been closed each year by deferring capital expenditures. This strategy is not sustainable.”

# 2019 Budget Context

## Budget Considerations

- Lack of reliable grant programs
- Services provided & expectations gap 
- Continued downward or increased services requirements
- Continued growth and development
- Unable to sustain historical funding methods
  - Reliance on assessment growth & reserves versus affordable increases in tax rates = in future homeowners and others are hostage to decisions made today

# 2019 Budget Context

## Budget Considerations

- *Address legislated standards & requirements*
- *Complete work underway*
- *Growth in municipality*
- *Address information deficit – Asset Management*
- *Prepare for future, develop long term financial plan*
- *Changes in personnel*

# 2019 Budget Context

## Staff Objectives

- *Affordability*
- *Proactive approach to improve efficiencies & future considerations*
- *Consider future years – mix between reliance on assessment growth, reserves & affordable property tax increases*
- *Complete work underway*
- *Plan for reduction in Ontario Municipal Partnership Fund*



# 2019 Budget

- *Completes works underway*
  - *E.g. IT, Asset Management*
- *Addresses personnel changes*
- *Planning for future*
- *Minimal addition to reserves*
- *Recommends 4.2% increase*
  - *mix of assessment growth and tax rate increase*